

# INSTRUCTIONS

## INTANGIBLE PROPERTY TAX RETURN

### (Revenue Form 62A376)

**Mail Intangible Property Tax Return, Form 62A376, to your local PVA office.**

All residents of Kentucky must report their intangible property for taxation. The Intangible Property Tax Return (62A376) must be filed with the Property Valuation Administrator (PVA) of the county of taxable situs (or the Department of Property Valuation in Frankfort) each year between January 1 and May 15. Any return not received or postmarked by May 15 will be omitted (KRS 132.290) and subject to penalties and interest except for **individuals only** who have filed for a federal extension. The return must be filed on or before the extended due date. A copy of the federal extension must be attached to the intangible return and forwarded to the Intangible Personal Property Section, Department of Property Valuation, Frankfort, Kentucky 40620, where they will be assessed without penalty but lose opportunity to pay locally during discount period.

**Please provide all identification information which is required at the top of the form.** Failure to complete this part of the return properly, particularly with regard to Social Security number (or federal I.D. number for corporations, partnerships or fiduciaries) and complete name, location and type of return information, could result in computer coding errors or misfiling. Omitted property notices of taxes, penalties and interest due could be generated as a result.

**Intangible property consists of any property or investment which represents evidence of value or the right to value under law and custom.** Some types of intangible property to be listed for ad valorem (property) tax purposes include, but are not limited to, the following:

Money Market Accounts	Money in Hand
Bonds	Money in Safe Deposit Boxes
Notes	Annuities
Retail Repurchase Agreements	Interests in Estates
Accounts Receivable	Loans to Stockholders
Trusts	Commercial Paper
Enforceable Contracts Sale of Real Estate (Land Contracts)	

The following information represents a section-by-section breakdown of instructions for completion of the intangible property tax return. **All property is valued as of January 1** of the year in which the return is filed. For valuation information or any assistance in filling out this return, contact the PVA at your county courthouse or courthouse annex.

#### SECTION 1: STOCKS, MUTUAL FUNDS, OPTIONS AND WARRANTS

The St. Ledger court decision invalidated intangible tax on stocks, and any investment consisting of stocks such as IRAs. This includes mutual funds, options and warrants.

Mutual funds are funds operated by an investment company that raises money from shareholders and invests in securities. There are two types of mutual fund companies; stock-structured and trust-structured (Massachusetts business trusts). They issue shares of stock or units of trust. All mutual funds are considered nontaxable property.

#### SECTION 2: MONEY MARKET ACCOUNTS

Money market accounts that are financial planning accounts, where an investor deposits cash with a financial institution (e.g., broker) and it invests in a diversified portfolio, an itemization of the securities is needed to determine the taxable status of each and exempt or prorate as necessary (e.g., cash management account with broker).

Money market funds are short-term mutual funds that invest in highly liquid, safe securities. The money market fund net asset value remains \$1, these funds are not taxable.

#### SECTION 3: BONDS

Bonds issued by corporations (including Kentucky), churches and out-of-state municipals are taxable. **NOTE:** *Bonds of the United States government, Kentucky state bonds, or municipal and school bonds of the Commonwealth of Kentucky are exempt.*

Column (A), Interest Rate, should be shown in order to tell which bond is in question; column (B), Maturity Date, identifies the bond; column (C), Face Value, is the full value denomination of the bond when held to maturity, such as \$100, \$500, \$1,000; column (D), Number Owned, should always be shown; column (E), Value of Each, is the listed value of the bond as of the assessment date.

**Example:** Bonds are usually quoted by \$100 quotes. Thus, if a taxpayer has five \$1,000 face value bonds that are quoted at \$85, the \$85 quote means the bond is worth, or buyers are willing to pay, \$85 for each \$100 in a \$1,000 bond. Therefore, a \$1,000 bond is valued at 10 x \$85 or \$850. Five such bonds are valued by multiplying 5 x \$850 = \$4,250.

Bonds are often listed as debentures. Unquoted bonds should be listed at face value.

Multiply column (D) times column (E) for a value per bond type.

#### SECTION 4: LOANS, NOTES AND MORTGAGES RECEIVABLE AND LAND CONTRACTS

The "type" of note column must be completed for proper valuation. Secured notes are valued at 100 percent of the balance due, while unsecured notes or loans are valued at 85 percent. Original Face Value, column (A), and Credits to Date, column (B), should be indicated for all notes or loans.

**NOTE:** *Secured mortgages are valued at 100 percent of face value, while second mortgages and land contracts are valued at 85 percent of face value. This listing should include noninterest bearing notes, loans, etc., and family notes, loans, etc.*

All of the section (1–4) totals should be added and entered into the bottom line of the front of the return, and then be carried over to the top line of the reverse side of the return.

#### SECTION 5: TRUSTS

The "type" of trust column must be completed with the totals summed. If the trust contains bonds or any securities other than cash, these **must be itemized** by the trust and attached to the original return.

#### SECTION 6: CASH AND DEPOSITS

Please note that money in hand (and in lock boxes, etc.) is taxed on the amount held as of January 1 (assessment date changed by 1996 legislation from September 1 to January 1).

"Nonbanking institutions" includes out-of-state savings and loans, brokerage firms, etc. Do not list cash on deposit in Kentucky banks, Kentucky savings and loan associations, or Kentucky credit unions.

Life insurance proceeds subject to withdrawal are valued at face value. This represents money actually owned by a taxpayer that is left with an insurance company at interest.

## SECTION 7: OTHER RECEIVABLES

All accounts receivable of every taxpayer (corporate or individual) in Kentucky are taxable, including receivables of cash basis taxpayers. Accounts receivable are valued at 85 percent if unsecured; however, the face value as of January 1 must be reported. Secured installment accounts are valued at 100 percent of the unpaid balance as of January 1. Unsecured installment accounts are taxable at 85 percent of the balance due as of January 1. Interest, rents and dividends due as of January 1 are also valued at 85 percent; all overdue rent or rents receivable must be reported here.

Compile the "Grand Total of Sections 1–7" and enter the total. To determine the tax due from these items of the 25 cent rate class, multiply the "Grand Total of Sections 1–7" by .0025 (25 cents per \$100 of value).

## SECTION 8: INTANGIBLES SUBJECT TO 1½ CENT STATE RATE ONLY

The 1½ cent per \$100 tax rate applies to accounts receivable and "any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state" (KRS 132.020). Notes, bonds, accounts receivable and all other intercompany intangible personal property except stocks due from such a company. "Affiliated Company" is defined by law as "a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten percent (10%) of the outstanding voting stock." Section 8, Lines (1), (2) and (3) apply only to corporations and do **not** apply to individuals.

Rights, royalties, patents, copyrights and tobacco base allotments are also taxed at the 1½ cent rate. The value based on annual income capitalized at current market interest for the life expectancy of the income stream is used for rights, royalties and patents; on tobacco base allotments, the poundage should be listed and the PVA (or Department of Property Valuation) can be contacted for the value per pound.

To determine the tax due from these items of the 1½ cent rate class, multiply the figure in "Total for Section 8" by 0.00015 (1.5 cents per \$100 of value).

## SECTION 9: RIGHTS TO RECEIVE INCOME (ANNUITIES)/RETIREMENT PLANS/NON-KENTUCKY IRREVOCABLE TRUSTS/INTANGIBLE PROPERTY OF BANKS (HB 416)

Life and term annuities and qualified retirement plans, such as Keogh plans, IRAs, etc., are taxable. Also, out-of-state, irrevocable trusts, in which the **current beneficiary** receiving the income is a Kentucky resident, should report the value of income received. Funds listed in IRA accounts with **Kentucky** financial institutions (banks, savings and loans, etc.) should be listed by these institutions as deposits and **not reported by the individual**.

Section 9, Line 4, is for financial institutions (banks) to list money in hand, shares of stock, notes, bonds, accounts, other credits and all other intangible assets. (HB 416, 1996)

To calculate the tax due from these items of the 1/10 cent rate, multiply the figure in "Total for Section 9" by 0.00001 (1/10 cent per \$100 of value).

*Do not file with income tax return.*

*Do not send a check with this return. You will receive a tax bill for intangible personal property in the fall.*

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## Kentucky Revenue Cabinet Mission Statement

To provide courteous, accurate and efficient services for the benefit of Kentucky and its citizens, and administer the tax laws of the Commonwealth in a fair and impartial manner.

*The Kentucky Revenue Cabinet does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.*

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## COUNTY PVA TELEPHONE NUMBERS AND ADDRESSES

County	Phone Number	Address	City	ZIP Code
Adair	(502) 384-3673	424 Public Square, Suite 2	Columbia	42728
Allen	(502) 237-3711	Courthouse, Box 397	Scottsville	42164
Anderson	(502) 839-4061	101 Ollie Bowen Court	Lawrenceburg	40342
Ballard	(502) 335-3400	Courthouse, Box 267	Wickliffe	42087
Barren	(502) 651-2026	204 Courthouse Square	Glasgow	42141
Bath	(606) 674-6382	P.O. Box 688	Owingsville	40360
Bell	(606) 337-2720	P.O. Box 255	Pineville	40977
Boone	(606) 334-2181	P.O. Box 388	Burlington	41005
Bourbon	(606) 987-2152	Courthouse, Room 15, Main Street	Paris	40361
Boyd	(606) 739-5173	P.O. Box 434	Catlettsburg	41129
Boyle	(606) 238-1104	Courthouse, 321 West Main Street	Danville	40422
Bracken	(606) 735-2228	Courthouse, Box 310	Brooksville	41004
Breathitt	(606) 666-7906	1127 Main Street	Jackson	41339
Breckinridge	(502) 756-5154	P.O. Box 516, Second and Main	Hardinsburg	40143
Bullitt	(502) 543-7480	P.O. Box 681, Beech Street	Shepherdsville	40165
Butler	(502) 526-3455	P.O. Box 538	Morgantown	42261
Caldwell	(502) 365-7227	Courthouse, Room 8	Princeton	42445
Calloway	(502) 753-3482	P.O. Box 547	Murray	42071
Campbell	(606) 292-3871	Courthouse, Fourth and York Streets	Newport	41071
Carlisle	(502) 628-5498	Courthouse, Box 206	Bardwell	42023
Carroll	(502) 732-5448	Courthouse, 440 Main Street	Carrollton	41008
Carter	(606) 474-5663	Courthouse, Room 214	Grayson	41143
Casey	(606) 787-7621	P.O. Box 38, Court Square	Liberty	42539
Christian	(502) 887-4115	P.O. Box 96	Hopkinsville	42241
Clark	(606) 745-0250	Courthouse, 34 South Main Street	Winchester	40391
Clay	(606) 598-3832	316 Main Street	Manchester	40962
Clinton	(606) 387-5938	P.O. Box 186	Albany	42602
Crittenden	(502) 965-4598	Courthouse, 107 South Main Street	Marion	42064
Cumberland	(502) 864-5161	Courthouse, P.O. Box 431	Burkesville	42717
Daviess	(502) 685-8474	Courthouse, Room 102, 212 St. Ann Street	Owensboro	42303-4148
Edmonson	(502) 597-2381	P.O. Box 37	Brownsville	42210
Elliott	(606) 738-5090	P.O. Box 690	Sandy Hook	41171
Estill	(606) 723-4569	Courthouse, Room 104, Main Street	Irvine	40336
Fayette	(606) 254-2722	166 North Martin Luther King Blvd.	Lexington	40507
Fleming	(606) 845-8801	P.O. Box 94	Flemingsburg	41041
Floyd	(606) 886-9622	Courthouse, Box 874	Prestonsburg	41653
Franklin	(502) 875-8780	Courthouse Annex, 313 West Main Street	Frankfort	40601
Fulton	(502) 236-2548	Courthouse, 201 Moulton Street	Hickman	42050
Gallatin	(606) 567-5621	Courthouse, P.O. Box 883	Warsaw	41095
Garrard	(606) 792-3291	Courthouse, Public Square	Lancaster	40444
Grant	(606) 824-6511	Courthouse, 101 North Main Street	Williamstown	41097
Graves	(502) 247-3301	101 E South, Box 5	Mayfield	42066
Grayson	(502) 259-4838	10 Public Square	Leitchfield	42754
Green	(502) 932-7518	103 South First Street	Greensburg	42743
Greenup	(606) 473-9984	Courthouse, Room 209, Main Street	Greenup	41144
Hancock	(502) 927-6846	P.O. Box 523	Hawesville	42348
Hardin	(502) 765-2129	P.O. Box 70	Elizabethtown	42701
Harlan	(606) 573-1990	Courthouse, Box 209	Harlan	40831
Harrison	(606) 234-8049	P.O. Box 53	Cynthiana	41031
Hart	(502) 524-2321	Box 566, Main Street	Munfordville	42765
Henderson	(502) 827-6024	P.O. Box 2003	Henderson	42420
Henry	(502) 845-5740	P.O. Box 11	New Castle	40050
Hickman	(502) 653-5521	Courthouse, 110 East Clay Street	Clinton	42031
Hopkins	(502) 821-3092	25 East Center Street	Madisonville	42431
Jackson	(606) 287-7634	P.O. Box 249, Main Street	McKee	40447
Jefferson	(502) 574-6380	504 Fiscal Court Bldg., 531 Court Place	Louisville	40202
Jessamine	(606) 885-4931	101 Court Row, P.O. Box 530	Nicholasville	40340-0503
Johnson	(606) 789-2564	Courthouse, Second Floor	Paintsville	41240
Kenton	(606) 491-2728	303 Court Street, Room 210	Covington	41011
Knott	(606) 785-5569	Courthouse, P.O. Box 1021	Hindman	41822
Knox	(606) 546-4113	P.O. Box 1509	Barbourville	40906
Larue	(502) 358-4202	Courthouse, West High Street	Hodgenville	42748
Laurel	(606) 864-2889	Courthouse, Room 101, 101 South Main Street	London	40741

# **COUNTY PVA PHONE NUMBERS AND ADDRESSES**

*Continued*

<b>County</b>	<b>Phone Number</b>	<b>Address</b>	<b>City</b>	<b>ZIP Code</b>
Lawrence	(606) 638-4743	122 South Main Cross Street	Louisa	41230
Lee	(606) 464-4105	P.O. Box 1008	Beattyville	41311
Leslie	(606) 672-2456	Courthouse, P.O. Box 1891	Hyden	41749
Letcher	(606) 633-2182	Courthouse, Main Street	Whitesburg	41858
Lewis	(606) 796-2622	Courthouse, 514 Second Street	Vanceburg	41179
Lincoln	(606) 365-4550	P.O. Box 296	Stanford	40484
Livingston	(502) 928-2524	P.O. Box 77	Smithland	42081
Logan	(502) 726-8334	Courthouse, P.O. Box 307	Russellville	42276
Lyon	(502) 388-7271	P.O. Box 148	Eddyville	42038
McCracken	(502) 444-4712	Courthouse Annex, 621 Washington Street	Paducah	42003
McCreary	(606) 376-2514	Courthouse, P.O. Box 609	Whitley City	42653
McLean	(502) 273-3291	Courthouse, P.O. Box 246	Calhoun	42327
Madison	(606) 623-5410	Courthouse, 101 West Main Street	Richmond	40475
Magoffin	(606) 349-6198	Courthouse Square, P.O. Box 148	Salyersville	41465
Marion	(502) 692-3401	Courthouse, 120 West Main Street	Lebanon	40033
Marshall	(502) 527-4728	1101 Main Street	Benton	42025
Martin	(606) 298-2807	Courthouse, P.O. Box 341	Inez	41224
Mason	(606) 564-3700	220 1/2 Sutton Street	Maysville	41056
Meade	(502) 422-2178	Fairway Drive, Courthouse Complex	Brandenburg	40108
Menifee	(606) 768-3514	P.O. Box 36	Frenchburg	40322
Mercer	(606) 734-6330	Courthouse, P.O. Box 244	Harrodsburg	40330
Metcalfe	(502) 432-3162	Courthouse, P.O. Box 939	Edmonton	42129
Monroe	(502) 487-6401	Courthouse, P.O. Box 486	Tompkinsville	42167
Montgomery	(606) 498-8710	Courthouse Annex, 44 West Main Street	Mt. Sterling	40353
Morgan	(606) 743-3349	Prestonsburg Street	West Liberty	41472
Muhlenberg	(502) 338-4664	Courthouse, P.O. Box 546	Greenville	42345
Nelson	(502) 348-1810	113 East Stephen Foster	Bardstown	40004
Nicholas	(606) 289-3735	Courthouse, P.O. Box 2	Carlisle	40311
Ohio	(502) 298-4433	Courthouse	Hartford	42347
Oldham	(502) 222-9320	100 East Main Street	LaGrange	40031
Owen	(502) 484-5172	P.O. Box 337	Owenton	40359
Owsley	(606) 593-6265	P.O. Box 337	Booneville	41314
Pendleton	(606) 654-6055	Courthouse, P.O. Box 108	Falmouth	41040-0108
Perry	(606) 436-4914	481 Main Street	Hazard	41701
Pike	(606) 432-6201	Courthouse, 324 Main Street	Pikeville	41501
Powell	(606) 663-4184	Courthouse, P.O. Box 277	Stanton	40380
Pulaski	(606) 679-1812	Courthouse, P.O. Box 206	Somerset	42502
Robertson	(606) 724-5213	P.O. Box 216	Mt. Olivet	41064
Rockcastle	(606) 256-4194	Courthouse, P.O. Box 977	Mt. Vernon	40456
Rowan	(606) 784-5512	926 East Main Street	Morehead	40351
Russell	(502) 343-4395	P.O. Box 224	Jamestown	42629
Scott	(502) 863-7885	Courthouse, 101 East Main Street	Georgetown	40324
Shelby	(502) 633-4403	501 Washington Street	Shelbyville	40065
Simpson	(502) 586-4261	Courthouse, P.O. Box 424	Franklin	42134
Spencer	(502) 477-3207	Courthouse, P.O. Box 425	Taylorsville	40071
Taylor	(502) 465-5811	Courthouse	Campbellsville	42718
Todd	(502) 265-5614	Courthouse, P.O. Box 593	Elkton	42220-0593
Trigg	(502) 522-3271	P.O. Box 629	Cadiz	42211
Trimble	(502) 255-3592	Courthouse, Box 131	Bedford	40006
Union	(502) 389-1933	Courthouse, P.O. Box 177	Morganfield	42437
Warren	(502) 843-3268	P.O. Box 1269, 429 Tenth Avenue East	Bowling Green	42101-1269
Washington	(606) 336-5420	Courthouse, P.O. Box 189	Springfield	40069
Wayne	(606) 348-6621	Courthouse, P.O. Box 253	Monticello	42633
Webster	(502) 639-7016	Courthouse, P.O. Box 88	Dixon	42409
Whitley	(606) 549-6008	Courthouse, P.O. Box 462	Williamsburg	40769
Wolfe	(606) 668-6923	Courthouse, P.O. Box 155	Campton	41301
Woodford	(606) 873-4101	Courthouse, Room 108, 103 Main Street	Versailles	40383